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FM AMEMBASSY KINSHASA
TO RUEHC/SECSTATE WASHDC 4735
INFO RUEHXR/RWANDA COLLECTIVE
RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUCPDO/DEPT OF COMMERCE WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
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UNCLAS KINSHASA 001398

SIPDIS

SIPDIS

DEPT FOR DRL/IL-LHOST AND AF/RSA-MHARPOLE
PASS TO OPIC (JEDWARDS)
DAKAR PASS TO FAA (EXJONES)

E.O. 12958: N/A

TAGS: [ENRG](#) [ELAB](#) [EAIR](#) [EMIN](#) [ECON](#) [ETRD](#) [PGOV](#) [CG](#)
SUBJECT: DRC AUGUST MONTHLY ECONOMIC REVIEW

REF: KINSHASA 1313
KINSHASA 1239
KINSHASA 1309
KINSHASA 1373

Summary

1. (U) Summary.

- The DRC's teachers' unions are calling for a nationwide strike in public schools to demand increased salaries.
- Employees of SNCC (the DRC's railway authority) and OCPT (the telecommunications parastatal) are on strike, as are medical professionals in some cities.
- The GDRC's Commercial Court has opened in Kinshasa.
- Mining companies in the DRC continue to confront illegal artisanal miners.
- Gecamines (a DRC mining parastatal) continues to produce and export copper and cobalt at levels below 2006 projections.
- According to Post's market basket survey, August consumer prices increased by 1.1 percent. End summary.

Aviation

2. (U) On August 3, an Antonov 28, operated by a Congolese airline, crashed near Bukavu, South Kivu province, killing two Russians and 13 Congolese. No American citizens were on board.

3. (U) Lignes Aeriennes Congolaises (LAC, the DRC's aviation parastatal) inaugurated domestic service August 10 after a 13-year break in service. LAC is using a leased Boeing 737-200, with eight business class seats and 101 economy class seats. It is offering flights to Kindu, Kisangani, Goma, Mbandaka, Isiro, Mbuji-Mayi, Kananga and Lubumbashi.

Commercial Activity

4. (U) The DRC's Commercial Court opened in August and has begun hearing cases. The GDRC also plans to open Commercial Courts in

Lubumbashi, Kisangani and Mbuji-Mayi.

¶5. (U) After a ten-year hiatus, ONATRA (the DRC's port authority) relaunched cargo and passenger service for the 1500 mile Congo River journey between Kinshasa and Kisangani, Orientale province (reftel A).

Energy

¶6. (U) A DRC interministerial commission increased petroleum prices in August, with vehicle fuel costs increasing by 6.5 percent (reftel B).

¶7. (U) GDRC officials have denied the London Sunday Times August 6 report that Uranium 238 has been smuggled out of the DRC bound for Iran via Tanzania. Further, Post has no information to support the allegations (reftel C).

Infrastructure

¶8. (U) Belgium has donated several million Euros to rehabilitate both the Kinshasa General Hospital and National Route 1 (NR1) between Kinshasa and Bandundu. NR1 is also the link to the port cities of Matadi and Boma in Bas Congo province.

Labor

¶9. (U) Although primary and secondary schools officially began their academic year on September 4, public school teachers in Kinshasa, Mbuji-Mayi, Kananga, Mbandaka, Kasangani and Bunia are on strike. Some teachers in Bandundu and Matadi are also striking. The main teachers' unions threaten a complete nationwide strike if public school teachers do not receive a pay increase.

¶10. (U) The SNCC (DRC's railway parastatal) strike that began in July continues (reftel D). However, during July and August, SNCC employees did unload some of the goods that were already in transit from Lubumbashi when the strike began.

¶11. (U) The employees' union of REGIDESO (the DRC's water authority) is demanding that REGIDESO pay current employees their salaries and pay former employees their severance packages. Current employees have been unpaid since July. According to contacts, REGIDESO claims it cannot pay these amounts because it must first pay several million USD in severance packages to its former management committee as the result of litigation.

12.(U) Employees of OCPT (the DRC's telecommunications parastatal) have been on strike since August to protest the Ministry of Finance's decision to readjust the allocation of revenue that the DRC's telephone country code generates. OCPT's revenue share will drop from 75 percent to 35 percent, and the share going to ARPT (DRC's telecommunications regulatory agency, will increase from 25 percent to 65 percent.

¶13. (U) Scattered medical-professional strikes continue in the DRC, including a nurses' strike in Buta, Orientale province, and a doctors' and nurses' strike in Kananga, Western Kasai.

Mining

¶11. (U) Confrontations continue in the DRC between mining companies and artisanal diggers in the course of efforts to remove the artisanals or limit their access. In early August armed guards killed six illegal miners on the concession of MIBA (the DRC's diamond mining parastatal). On August 30, Anvil Mining's security manager reported a confrontation with artisanal diggers on Anvil's concession in Kolwezi, Katanga province, although no injuries resulted.

¶12. (U) Gecamines (a DRC mining parastatal) reported June production of 3,006 tons of copper and 56 tons of cobalt, and July production of 1,938 tons of copper and 93 tons of cobalt. No zinc production

was reported. Gecamines reported June exports of 2,260 tons of copper, 109 tons of cobalt and 739 tons of zinc, and in June it exported 1,750 tons of copper, 86 tons of cobalt and 758 of zinc. Both copper and cobalt production and export figures are well below Gecamines' own projections to date. August figures are not yet available.

Consumer Inflation Rate

¶13. (U) Post's market-basket survey indicates an inflation rate of 1.1 percent in August.

Exchange Rates

¶14. (U)

Week ending 8/4 8/11 8/18 8/25 8/31

Central Bank Rates: 463 466 467 468 470

Parallel Rates

Kinshasa	460	470	470	475	475
Lubumbashi	450	455	460	475	465
Mbuji-Mayi	455	465	470	475	485
Kisangani	450	450	460	465	475
Goma	460	460	475	480	490
Bukavu	460	480	475	490	500

MEECE